



Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Managed Care Organization Transmittal No. 67
September 12, 2007

TO: Managed Care Organizations

FROM: *Susan Tucker*
Susan Tucker, Executive Director
Office of Health Services

NOTE: Please ensure that the appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Amendments to HealthChoice and PAC Regulations

WRITTEN COMMENTS TO:
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Baltimore, MD 21201
Fax (410) 767-6483 or call
(410) 767-6499 or
1-877-4MD-DHMH extension 6483

PROGRAM CONTACT:
Amy Gentile, Chief
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(410) 767-1482 or call
1-877-4MD-DHMH extension 1482

COMMENT PERIOD EXPIRES: October 1, 2007

The Maryland Medical Assistance Program is proposing amendments to COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations and COMAR 10.09.76 Primary Adult Care Program. These amendments will implement the July 2007 HealthChoice and PAC MCO capitation rates, allow for the 1 percent reduction of the MCO's HealthChoice capitation rates as required by cost containment measures contained in the FY 08 budget and remove the live birth requirement from the Supplemental Newborn/Delivery Payment. A copy of the regulations as printed in the August 31, 2007 issue of the Maryland Register is attached.

Questions regarding this amendment should be directed to the Division of HealthChoice Management and Quality Assurance at (410) 767-1482.

(4) *The continuity of operations, including, but not limited to, redundant communications systems, preservation of records and electronic data, the procurement of essential goods, equipment, and services, and the relocation to alternate facilities;*

(5) *Procedures to:*

(a) *Backup and electronically store off-site, appropriate records and data of consumers and staff and facility documents, for access under emergency conditions;*

(b) *Ensure access to an electronic copy of the emergency plans when requested by local, State or federal emergency management organizations; and*

(6) *An executive summary of the evacuation procedures that shall be provided to the family member of a resident on request.*

[B.] C. — [C.] D. (text unchanged)

JOHN M. COLMERS
Secretary of Health and Mental Hygiene

Subtitle 09 MEDICAL CARE PROGRAMS

Notice of Proposed Action

[07-230-P]

The Secretary of Health and Mental Hygiene proposes to amend:

(1) Regulation .19 under COMAR 10.09.65 **Maryland Medicaid Managed Care Program: Managed Care Organizations**; and

(2) Regulation .14 under COMAR 10.09.76 **Primary Adult Care Program**.

Statement of Purpose

The purpose of this action is to:

(1) Implement the mid-year adjustment to the 2007 HealthChoice and PAC MCO capitation rates;

(2) Allow for the 1 percent reduction of the MCO's HealthChoice capitation rates as required by cost containment measures contained in the FY 08 budget; and

(3) Remove the live birth requirement from the Supplemental Newborn/Delivery payment.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. A total rate increase of \$9,826,000 was reduced by \$8,200,000 for a 1 percent cost containment action for August through December 2007, netting a \$600,000 increase in HealthChoice capitation rates for the last 6 months of CY 2007 for HSCRC final hospital rates for inpatient and outpatient services and the physician fee increase for various categories of medical services provided by the MCOs. \$1,026,000 of the total represents the capitation rate increase for the Primary Adult Care (PAC) Program.

II. Types of Economic Impact.

	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(E+)		\$1,626,000
B. On other State agencies:	NONE		
C. On local governments:	NONE		

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	(+)	\$1,626,000
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. The rate increase of \$1,626,000 is due to HSCRC preliminary rate increase with the final Commission approved rates for inpatient and outpatient hospital services, Physician fee rate increase, and the 1 percent rate reduction for all MCO's due to the FY 08 cost containment action.

D. There will be a positive impact on the MCOs due to the rate increase.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Michele Phinney, Director, Office of Regulations and Policy Coordination, DHMH, 201 W. Preston St., Room 512, Baltimore, MD 21201, or call 410-767-6499, or email to regs@dnhm.state.md.us, or fax to 410-333-7687. Comments will be accepted through October 1, 2007. A public hearing has not been scheduled.

10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations

Authority: Health-General Article, §§2-104 and 15-103, Annotated Code of Maryland

.19 MCO Reimbursement.

A. (text unchanged)

B. **Capitation Rate-Setting Methodology.**

(1) — (2) (text unchanged)

(3) **Rate Setting Methodology for Supplemental Delivery/Newborn Payments.** In addition to the monthly payment specified in §B(4)(a) or (b) of this regulation for an enrollee's payment category, the Department shall pay an MCO one supplemental payment per pregnancy in the amount specified in §B(4)(c) of this regulation, upon delivery of one or more [live] infants without regard to method, timing, or place of delivery.

(4) Except to the extent of adjustments required by §D of this regulation, [or] by Regulations .19-1 — .19-4 of this chapter, or by §B(4-1) of this regulation, the Department shall make payments monthly at the rates specified in the following tables:

[(a)] — [(c)] (tables proposed for repeal)

(a) Rate Table for Families and Children
Effective July 1, 2007 — December 31, 2007

	Age	Gender	PMPM Baltimore City	PMPM Rest of State
	Under age 1 Birth Weight 1500 grams or less	Both	\$6,033.14	\$5,951.03
	Under age 1 Birth Weight over 1500 grams	Both	\$384.46	\$290.25
	1 — 5	Male	\$187.93	\$152.58
		Female	\$160.90	\$130.63
	6 — 14	Male	\$106.57	\$86.52
		Female	\$94.77	\$76.94
	15 — 20	Male	\$130.39	\$105.86
		Female	\$209.56	\$170.13
	21 — 44	Male	\$364.46	\$295.89
		Female	\$385.01	\$312.58
	45 — 64	Male	\$973.93	\$790.70
		Female	\$826.56	\$671.06
<i>ACG — adjusted cells</i>				
ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC1	Both	\$98.11	\$86.28
ACG 400, 700, 900, 1000, 1200, 1300, 1710, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310	RAC2	Both	\$116.35	\$102.31
ACG 1720, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339	RAC3	Both	\$146.99	\$129.26
ACG 800, 1740, 1750, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC4	Both	\$242.31	\$213.08
ACG 1400, 1500, 1750, 1770, 2600, 4320, 4520, 4620, 4820	RAC5	Both	\$340.33	\$299.28
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC6	Both	\$532.70	\$468.44
ACG 4430, 4730, 4930, 5030, 5050	RAC7	Both	\$746.79	\$656.71
ACG 4940, 5060	RAC8	Both	\$1,176.85	\$1,034.89
ACG 5070	RAC9	Both	\$1,574.39	\$1,384.48
SOBRA Mothers			\$722.32	\$586.43
Persons with HIV	All	Both	\$852.09	\$852.09

(b) Rate Table for Disabled Individuals
Effective July 1, 2007 — December 31, 2007

Demographic Cells

	Age	Gender	PMPM Baltimore City	PMPM Rest of State
	Under Age 1	Both	\$2,273.99	\$2,273.99
	1 — 5	Male	\$775.43	\$775.13
		Female	\$878.49	\$878.49
	6 — 14	Male	\$175.42	\$175.42
		Female	\$266.92	\$266.92

<i>Demographic Cells</i>	<i>Age</i>	<i>Gender</i>	<i>PMPM Baltimore City</i>	<i>PMPM Rest of State</i>
	15 — 20	Male	\$391.02	\$391.02
		Female	\$438.87	\$438.87
	21 — 44	Male	\$1,296.56	\$1,052.63
		Female	\$1,226.24	\$995.55
	45 — 64	Male	\$1,739.71	\$1,412.42
		Female	\$1,655.30	\$1,343.88
<i>ACG — adjusted cells</i>				
ACG 100, 200, 300, 1100, 1300, 1400, 1500, 1600, 1710, 1720, 1730, 1900, 2400, 2600, 2900, 3400, 5110, 5200, 5310	RAC10	Both	\$249.77	\$219.65
ACG 400, 500, 700, 900, 1000, 1200, 1740, 1750, 1800, 2000, 2100, 2200, 2300, 2500, 2700, 2800, 3000, 3100, 3200, 3300, 3500, 3900, 4000, 4310, 5330	RAC 11	Both	\$348.02	\$306.04
ACG 600, 1760, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC12	Both	\$630.01	\$554.02
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$729.24	\$641.28
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$978.93	\$860.84
ACG 1770, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,093.09	\$961.23
ACG 4730, 4930, 5010	RAC16	Both	\$1,419.21	\$1,248.01
ACG 4940, 5020, 5060	RAC17	Both	\$1,985.67	\$1,746.14
ACG 5030, 5070	RAC18	Both	\$2,671.72	\$2,349.44
Persons with AIDS	All	Both	\$3,680.53	\$3,474.17
Persons with HIV	All	Both	\$2,079.53	\$2,079.53

(c) Rate Table for Supplemental Payment for Delivery/Newborn Effective July 1, 2007 — December 31, 2007

<i>Supplemental Payment Cells</i>	<i>Age/RAC</i>	<i>Gender</i>	<i>Baltimore City</i>	<i>Rest of State</i>
Delivery/Newborn — birth weight over 1,500 grams	All	Both	\$12,461.78	\$10,123.33
Delivery/Newborn — birth weight 1,500 grams or less	All	Both	\$81,161.93	\$64,882.50

(d) — (g) (text unchanged)

(4-1) The Department shall reduce the payments described in §B(4)(a) — (c) of this regulation by 1 percent, effective for the service period August 1, 2007 — December 31 2007.

(5) (text unchanged)

C. — D. (text unchanged)

10.09.76 Primary Adult Care Program

Authority: Health-General Article, §§15-101, 15-103, and 15-140, Annotated Code of Maryland

.14 Payments.

A. MCO Capitation. The Department shall pay an MCO a fixed monthly capitation rate for each of its PAC enrollees, at the rates specified in the following table, effective [July 1, 2006] July 1, 2007 through [June 30, 2007] December 31, 2007:

	<i>Per Month Per Member</i>
Age 19 — 44 Male	[\$79.38] \$83.38
Age 19 — 44 Female	[\$96.87] \$101.89
Age 45+ Male	[\$150.32] \$158.11
Age 45+ Female	[\$190.47] \$200.67
B. — F. (text unchanged)	

JOHN M. COLMERS
Secretary of Health and Mental Hygiene